Table 1

South and North Korea

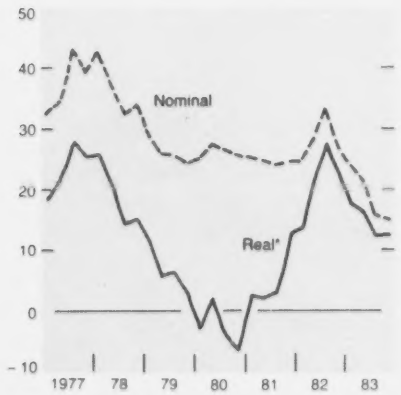
data are estimates for 1983 except as noted

	South Korea	North Korea
Population, millions	40.0	21.2
GNP		
billions of dollars	74.9	19.7
dollars per capita	1875	930
Military-related expenditure, percent of GNP	6	24
Merchandise exports		
billions of dollars	23.2	0.9
percent of GNP	31	5
Debt to commercial banks, billions of dollars (end-June)	22.7	0.6
Real GNP, average annual increase in percent		
1963-1975	9.2	8.2
1976-1983	7.2	1.8

Chart 2

Broad money supply in Korea

year-on-year percent changes in M2



*Nominal M2 deflated by year-on-year percent changes in consumer prices

growth in exports of manufactures. The transformation was aided by a literate and industrious labor force, a large pool of entrepreneurial and managerial manpower, and total political commitment to economic growth. Given a poor natural resource endowment and a small domestic market, an outward-looking strategy emphasizing exports of labor-intensive manufactures could best exploit the country's potential.

Commitment to economic growth derived from the dual necessities of breaking the circle of poverty and building a credible military deterrent to the threat from North Korea, whose per capita output used to exceed the Republic's but which now lags behind (see Table 1). Inflation control was a minor priority, as evidenced by two decades of double-digit annual inflation. Although such external factors as high oil prices contributed, the country's inflation was largely homemade. Still, its potentially adverse effects on exports and economic growth were largely contained so long as Korea adjusted its exchange rate to offset adverse inflation differentials and changed interest rates to maintain positive real yields, as it did until the mid-1970s.

Thereafter inflationary pressures mounted rapidly. The Korean authorities underestimated the consequences of narrowing current account deficits, induced by the 18% maxidevaluation of December 1974 and the country's success in meeting its oil bill by sale of construction services to oil-exporting countries. The financing of most capital goods imports by long-term capital inflows led to reserve accumulation. Reserves multiplied fivefold from 1974 through 1979. Korea failed to neutralize the expansionary impact on its monetary base. Superimposed on a booming economy that was overextended by three years of 25% annual increases in real investment and 12% annual gains in real GNP, the acceleration of money growth above 40% in 1977 presaged a dramatic jump in inflation.

Aggravating inflationary pressure was the timing and scope of efforts to shift the country's comparative advantage away from labor-intensive, assembly-oriented manufactures toward capital- and technology-intensive intermediate and capital goods. This redirection was partly motivated by the perceived need to develop domestic defense industries in the wake of the U.S. disengagement from Vietnam.

Through officially directed, subsidized credit, massive resources were committed to such targeted heavy industries as steel, petrochemicals, shipbuilding, general machinery, and power-generating equipment. Unhappily, Korea underestimated the backward and forward linkages required to implement the new industrial strategy cost-effectively. For example, subcontracting capabilities to produce the intermediate inputs to various stages of the production process were little developed. In addition, Korea overestimated the strength of demand, at home or abroad, for heavy industrial goods. Thus, excess capacity emerged in heavy industries, while excess demand in the face of capacity limitations for light industrial goods fueled inflationary pressures. Moreover, the long gestation periods of heavy-industrial investment, creating income gains without immediate output gains, further boosted domestic prices.

Policies for adjustment

Accelerating inflation and shortages of daily necessities were a key campaign issue in the December 1978 general election. President Park Chung-Hee subsequently appointed a new economic management team, which devised a comprehensive

Chart 3

Exchange rate of the Korean won

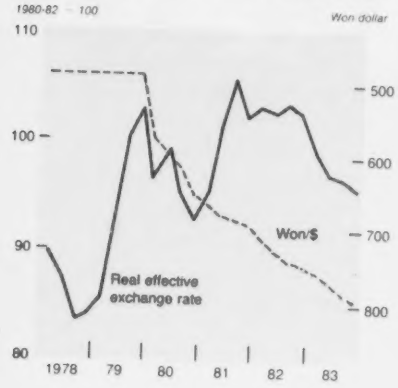
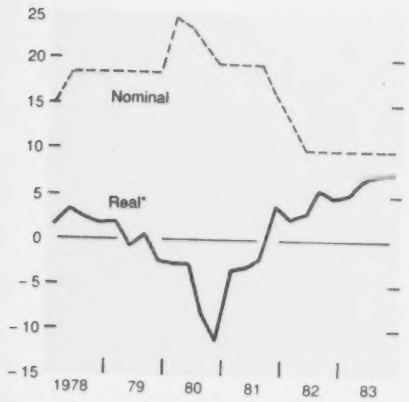


Chart 4

Interest rates in Korea

lending rate to prime domestic borrowers
percent per annum



*Nominal rate deflated by year-on-year percent changes in consumer prices

price stabilization and industrial restructuring program. Among the principal architects of the new adjustment policies was Kim Jae-Ik, who later became President Chun Doo-Hwan's senior economic advisor and was among those killed in the Burma bombing last October.

Real GNP growth was to be contained to 9% in 1979 following the average rate of 12% plus over the preceding three years, while inflation was to be rolled back to 10%-12% from the over-14% recorded in 1978. Monetary policy was the principal instrument of restraint. Fiscal policy was assigned a supportive, albeit subordinate role, with the objective of reducing the budget deficit by 1% of GNP. The focus on heavy industrialization was switched to favor light industries. The program's ultimate objective was to improve the self-adjusting capacity of the economy through greater reliance on market-directed resource allocation. This required accelerated import liberalization to expose a previously sheltered internal market to the rigors of competition from abroad, and correction of a distorted price structure.

Domestic price deregulation was, therefore, a key element of the program. Its immediate consequence, however, was to increase the recorded rate of inflation. Because of the lag in response to demand restraint, not to mention the second oil shock, attainment of the lower inflation target proved impossible. The money supply target was achieved, however, with growth in M2 down to 25% from the 36% average of the previous three years (see Chart 2). The budget deficit narrowed by the intended 1% of GNP. These monetary and fiscal policies slowed output growth substantially. Many businesses were driven to the brink of bankruptcy and unemployment increased. However, Korea's vigorously competitive labor markets and the absence of union rigidities ensured that the momentum of a wage spiral was quickly broken.

The principal omissions from the initial liberalization effort were credit and foreign exchange markets. The highly leveraged financial structures of firms that benefited from subsidized credit deterred the necessary upward movement of interest rates. During 1979 exchange rate adjustment was ruled out as incompatible with the primary goal of containing inflation. By year-end, however, overvaluation was conspicuous: whereas the export volumes of such competitors as Taiwan, Singapore, and Hong Kong were still increasing at double-digit rates in 1979, Korea's export volume actually fell.

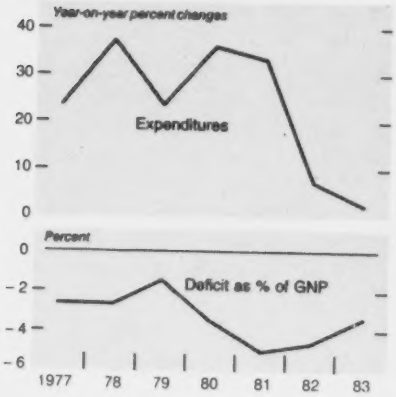
In January 1980, less than three months after President Park's assassination, Korea introduced drastic adjustment policies targeted at the external deterioration. The won was initially devalued by 20% against the dollar (see Chart 3). Subsequent exchange rate policy was to be flexible, with no further commitment to a fixed dollar rate. To induce energy conservation, user prices were raised by 60% on average — gasoline, for example, was hiked to over $4 per gallon. And, to reduce overall domestic demand — by an intended 3%-4% in real terms — fiscal and monetary policies were tightened. Interest rates were raised by an average 6 percentage points (see Chart 4). In addition, a $600 million balance of payments support loan was secured from the IMF under a two-year Standby Agreement.

The new policies placed severe strains on the economy, which also reeled from uncontrollable events: bad weather slashed agricultural output by 22%; the oil-price shock subtracted 5% of GNP from domestic purchasing power; and political instability following the presidential assassination undermined confidence. In all, inflation, already 18% in 1979, gathered momentum. Con-

Chart 5

The Korean budget

data are for current and capital budgets of central government and state entities



sumer price increases surpassed 28% in 1980. Real GNP plummeted over 6%, its first actual decline since 1962.

Still, stagflation was also a consequence of the government's adjustment policies. Unexpectedly high inflation rendered monetary policy in 1980, as gauged by credit and money supply growth, more restrictive in real terms than intended. While currency depreciation achieved a realistic exchange value for the won, it nonetheless contributed to the higher rate of inflation. The fiscal stance also was tight. Widening of the actual budget deficit by 2% of GNP (see Chart 5) was less than would have been expected on cyclical grounds. The budget would have been in slight surplus had the economy maintained its previous year's real growth rate.

When the Chun government took office in August 1980, the economy was in deep recession. Despite intense pressures for a policy turnabout, the president fully supported his economic advisors in their decision to persist with restrictive policies in order to implement a fundamental shift away from chronic inflation toward a stable price level and increased reliance on markets.

If markets were to provide correct signals for resource allocation, relative prices had to be free to change and there had to be a shift away from detailed central direction of the economy. The new emphasis, embodied in the Structural Adjustment Program devised in consultation with the World Bank, is on defining basic policies and giving greater leeway for private initiatives and risk-taking to achieve the goals. The program spells out explicit measures to phase out the widespread practice of directed and subsidized credit, both to foster financial liberalization and to abolish specific incentives that concentrated investment in heavy industries. It also provides for sale to the private sector of part of the heavy-machinery sector under government ownership. In addition, the program calls for further import liberalization to raise the proportion of goods entering freely to 90%, the industrial-country average, by 1986, compared with 54% in 1977. Average tariff rates are to be lowered to 16.9% in 1988, from 22.6% at present.

Balanced growth

Despite harsh domestic costs, stabilization yielded significant balance of payments benefits from the outset. Terms-of-trade losses and higher world interest rates in 1980 could have worsened Korea's current account by 9% of GNP in the absence of adjustment, but Korea's policy initiatives limited the deterioration to a scant 2% of GNP (see Table 2), widening the deficit to only a little above $5 billion (see Chart 6). The volume of non-oil imports dropped 14%, while export volume rose 11%.

The short, sharp contraction in 1980 permitted some relaxation of policy the very next year. During 1981, fiscal policy shifted to stimulus on the order of a modest 1% of GNP. Monetary policy turned accommodative — real M2 grew by 6%, after the previous year's 3% decline. Reversing its 1980 slump, real GNP expanded 6.4% in 1981. Inflation nevertheless decelerated markedly, to 14% by year-end, thanks to productivity gains and real wage declines, later falling to as low as 2% by year-end 1983. Economic growth last year accelerated to 9%.

Korea's external balance has consistently improved since 1980. Despite some further terms-of-trade weakness and a surge in rice imports in 1981, the current account deficit narrowed to $4.6 billion. This owed much to an 18% jump in export volume. By 1983 the deficit

Table 2

*Korea: current account adjustment, 1979-83**

in percent of GNP

	1978-1979	1980	1981	1982-1983
Changes due to exogenous sources	—1.3	—9.4	—3.2	3.5
Oil price	—1.9	—4.4	—1.8	1.2
Foreign interest rates	—0.7	—1.1	—1.1	2.6
Non-oil terms of trade and other	1.3	—3.9	—0.3	—0.3
Changes due to adjustment efforts	—5.6	7.3	4.3	1.2
Import volume	—9.2	4.5	—1.3	—5.1
Export volume	2.4	3.0	4.9	6.5
Other	1.2	0.1	0.7	—0.2
Total change in current account deficit	—6.9	—2.1	1.1	4.7

*A negative sign denotes an increase in the deficit.
Source: IMF and MGT estimates.

Chart 6

Current account balance of Korea
in billions of dollars

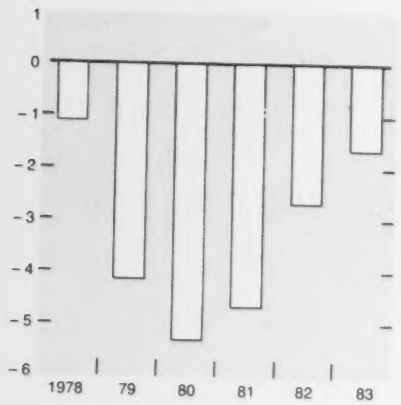


Table 3

Korea: merchandise exports by area

	Percentage shares		Percent change 1983 over 1982
	1973	1983	
Industrial countries	85.9	66.8	15.8
United States	31.7	33.6	32.8
Japan	38.5	13.9	1.3
Oil exporters	2.4	15.7	11.9
Saudi Arabia	0.4	5.9	26.6
Kuwait	0.2	2.3	117.2
Non-oil developing countries	11.6	17.5	—0.2
Asia	8.2	12.3	10.1
Hong Kong	3.7	3.3	—10.1

was down to $1.6 billion. Some of the improvement can be attributed to lower foreign interest rates and better terms of trade — 94% of Korea's exports are manufactures while the bulk of its imports are energy and raw materials. But real depreciation of the currency and restrained demand management also played a crucial role. Moreover, unlike the many LDCs that have achieved current account improvement only through output decline and import compression, Korea's external adjustment has been accomplished with output growth and export expansion.

Not only has Korea's overall export expansion been remarkable, but Korea also has diversified its markets, upgraded the technology content of its exports, and coped with protectionist barriers. The U.S. market retains its leading position in Korea's exports, and its vigorous expansion in 1983 contributed three-fourths of Korea's overall export gains last year. Successful geographic diversification is evident in the heightened importance of Korea's exports to other LDCs in Asia and the Middle East (see Table 3) but the country has had some difficulty in penetrating the Japanese market. The upgrading of technological content and competitiveness in dynamic new export products can be seen in the rapid sales growth last year of ships and oil rigs (32%), electronic and electrical products (39%), and machinery (23%) (see Table 4). By pursuing intraindustry specialization — for example, by export of components and peripherals rather than finished products — Korea has avoided some of the more sensitive international trade areas.

Korea's debt burden and the revised Five-Year Plan

Although Korea has made great strides in narrowing its current account deficit, it nonetheless has accumulated a large external debt. The official tally shows $40 billion outstanding at end-1983, ranking Korea fourth among all LDC borrowers and marking a 21% average annual growth rate of debt since 1977 (see Chart 7). Relative to the country's $31 billion export earnings in 1983, however, the level of the debt, at about 125% of export receipts, is not excessive, at least compared with the 200% or higher ratios seen in the Philippines and much of Latin America.

Korea's total debt-service ratio (including the rollover of short-term debt) was around 65% in 1983 (see Chart 7), about half the average for the major Latin American countries. Nonetheless, its debt-servicing burden ranks third among all major non-Latin borrowers, behind only Turkey and the Philippines, and is of a magnitude that warrants concern. The burden is mainly the result of a short-maturity profile. No less than $14 billion or 35% of Korea's total foreign debt is short term (see Table 5). This amount is equivalent to more than 6.5 months of merchandise imports, well above the level that would correspond to import financing by 90-120-day credit. Included as short-term debt are nearly $4 billion in so-called A accounts of foreign-bank branches in Korea — actually liabilities to their parent offices — which in practice may be of a longer-term nature than their nominal maturities suggest. However, the official debt figures make no allowances for the sizable actual or contingent foreign exchange liabilities of Korean overseas construction and trading company subsidiaries and of Korean banks' offices abroad.

Since the 1982 Mexican crisis, the critical role of excessive short-term debt in precipitating debt-servicing problems has become more widely recognized, especially where liquid-

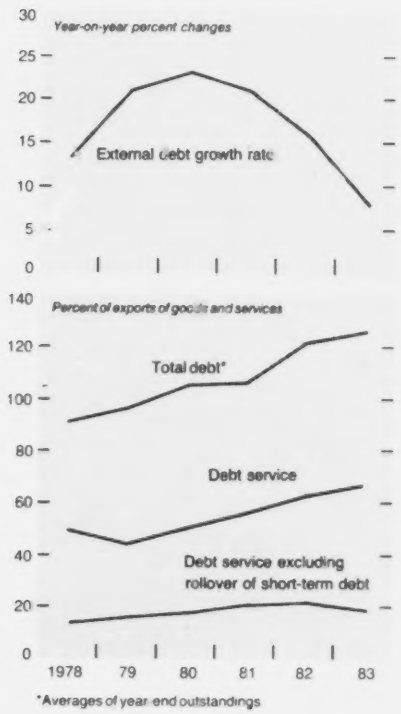
Table 4

Korea: merchandise exports by product

	Percentage shares		Percent change 1983 over 1982
	1978	1983	
Manufactures	88.7	94.4	12.9
Light manufactures	53.6	39.6	3.4
Textiles	31.6	25.0	2.1
Wood and leather	3.9	1.8	—12.3
Footwear	5.4	5.2	18.2
Other	12.6	7.6	9.7
Heavy industrial	26.4	42.4	16.4
Chemicals	3.2	6.2	8.6
Iron and steel	4.3	10.2	4.7
Machinery	2.0	4.4	23.4
Ships	6.3	15.4	31.9
Other	10.6	6.2	8.1
Electronic products	8.7	12.5	39.2
Nonmanufactures	11.3	5.6	—0.4

Chart 7

External debt of Korea



*Averages of year-end outstandings

ity also is deficient. Korea held international reserves totaling $6.9 billion at the end of December 1983 (see Table 6), enough to cover some 3-months worth of merchandise imports. This level of reserves meets generally recognized standards of prudence, although it should be noted that $2.3 billion consists of trade receivables whose quality is not fully known.

Korea is vulnerable to a deterioration in the climate for LDC lending and to the phenomenon of "regionalization" — thus, Korea's access to credit could be crimped by difficulties in such neighboring countries as the Philippines. Korean policymakers have therefore reexamined the strategy and assumptions embodied in their original Fifth Economic Plan, and recently released a revised Plan for 1984-86. Its major thrust is to foster economic growth with price stability, while lessening debt vulnerabilities. The short-term debt is to be frozen at its present $14 billion level and the growth of overall debt is to be slowed.

The revised Plan calls for virtual price stability at home based on continued monetary restraint complemented by fiscal austerity. It further assumes that a 7.5% real GNP growth target can still be achieved, but now with near-exclusive reliance on domestic savings, at least on a net basis. Anticipating intensified protectionism in export markets and keen competition from other newly industrializing countries, the projected expansion of foreign trade has been pared substantially. But in 1986 the current account is now to be in surplus by $400 million, in contrast to the deficit of $3.6 billion targeted previously. The revised Plan projects the level of external debt by end-1986 at just under $50 billion, or $15 billion less than in the original Plan. The new projected debt level would represent no more than 110% of Korea's export earnings, considerably less than at present.

Assessment

In general terms, Korea's 7.5% per annum target for real GNP growth looks reasonable, since the country has good prospects for maintaining high productivity growth over the medium term, on the order of 4% to 5% per annum. Korea's productivity still is only one-fifth the Japanese average. Increasingly sophisticated Korean management has ample scope to exploit scale economies and untapped technologies, and has the advantage of an industrious and easily trainable labor force. Besides, there remains a large pool of underutilized labor in agriculture (30% of the labor force) and in other low-productivity sectors.

Deployment of labor and capital to higher-valued uses, through private initiative and accelerated technology transfers from abroad, are the cornerstone of Korea's hopes for sustained high growth. But it is hardly a riskless course. Korean entry into the semiconductor industry provides an example. In that sector the new technology choices and the requisite affiliations with foreign firms are being made by private business without government direction or guarantee of the financial outcome. Launched with purchased technology and operated by Korean personnel repatriated from overseas, the industry can be competitive without the extensive infrastructure and feeder requirements of the earlier heavy industrial development. Even so, success in frontier technology is uncertain.

Potentially, Korean productivity gains could benefit greatly by the recent liberalization of the law governing private foreign direct investment. It is intended to shift capital inflows away from borrowing toward direct investment that brings bene-

Table 5

Korea: external debt

year-end estimates in billions of dollars

	1977	1979	1982	1983
Total	12.7	20.5	37.3	40.1
Owed to banks	5.3	12.0	23.3	24.0
Original maturity less than 1 year				
Total	3.9	6.8	14.2	14.2
Trade-related	3.0	4.8	10.3	10.3
Foreign bank branches' liabilities to head offices	0.8	2.0	3.9	3.9
Original maturity over 1 year				
Total	8.8	13.7	23.1	25.9
Loans	8.3	13.3	21.5	23.9
Bonds	0.2	0.3	0.3	0.6
IMF credit	0.3	0.1	1.3	1.4

Table 6

Korea: international reserves

in millions of dollars

	Dec 1982	Dec 1983
Foreign currency	29	33
Bank deposits	3458	3058
Securities	1366	1318
Receivables	2033	2345
Other	98	156
Total	6984	6910

Chart 8

Korean savings and investment

percent of GNP

fits in know-how and enhanced competition. However, there must be skepticism about the practical extent of the liberalization. In the past, Korea followed the Japanese model of deemphasizing foreign direct investment, in contrast to Taiwan's positive approach. Korea's relations with direct investors have been strained at times, as evidenced by the withdrawals of such companies as Control Data and Dow Chemical. Still, investment approvals have recently increased and General Motors has just announced an increased commitment to its automotive joint venture with Daewoo Motor.

Liberalization is no less urgent in Korea's domestic credit markets and external trade practices. Although the banks have been denationalized, the state retains significant powers of appointment. While the previously discriminatory interest-rate structure is now more market-related, there remains a wide gulf between rates prevailing in the regulated and unregulated credit markets. Korean savers would benefit from the more attractive array of financial assets that liberalization would induce. Efficient risk-taking and resource allocation would be encouraged.

Steadfast implementation of Korea's import liberalization program also is crucial in spurring productivity growth through increased competitiveness of domestic industries. Korea has made significant progress already — five years ago the free ratio was only 50%, compared with 80% at present. Still, protectionism and trade frictions abroad, especially in the vital U.S. market, are important reasons for Korea to redouble its own liberalization effort. Besides, rigorous foreign competition in Korea's domestic markets can play an important role in fighting inflation at the microeconomic level, complementing the macroeconomic approach to inflation control through monetary restraint. Remembering Korea's past record of inflationary excesses, its striking recent success in achieving price stability should not be put in jeopardy by any new cosseting of domestic interest groups.

While the prospective pace of technological change and structural liberalization is difficult to assess with precision, there also are inconsistencies and questionable assumptions in the revised economic plan. For example, the target for domestic savings during 1984-86 has been set at over 27% of GNP. Given that 1983's savings were hardly more than 24% (see Chart 8), this target looks overambitious: while private savings are supposed to benefit from the provision of more attractive financial assets for households and from increased retention of business profits, the outcome stands in doubt; likewise problematic is the intent to raise public-sector current savings by almost 1% of GNP by 1986 through a budget policy that couples income-elastic revenues with expenditure restraint using zero-base budgeting. The freeze on this year's current-services spending is, however, an encouraging start.

Also questionable are the revised Plan's investment assumptions. The investment ratio, including inventories, is to average at least 4 percentage points below that assumed in the original Plan for 1984-86, mostly to contain the growth in foreign debt. Continuous drawdown of inventories is supposed to permit a sustained pace of fixed investment compatible with unchanged output growth. True, in 1983 an above-target 9% real GNP growth was achieved despite a substantial shortfall in total investment (less than 27% of GNP, compared with the planned 31%), thanks to fuller utilization of capacity and inventory drawdown in excess of 3% of GNP. But despite the similar drawdown in

the previous year, inventory shrinkage cannot be consistent with high output growth indefinitely.

Doubts about the new Plan's projected savings-investment balance are paralleled by uncertainties over Korea's balance of payments outlook. Replenishment of depleted inventories could entail higher imports than the revised Plan projects. More seriously, the continued fragility of the global economic environment, the risk of higher interest rates, increased protectionism abroad, or a slower-than-expected fall in the import content of production could all limit Korea's domestic expansion, given the new commitment to contain the growth of foreign debt.

It must also be realized that the country's gross borrowing needs over the next four to five years will exceed simple coverage of the current account deficit and rollover requirements. Korea's export strategy calls for fast growth in exports of heavy industrial products—ships, for example. These sales are customarily made on credit. While Korea may be able to sell off some of the promissory notes issued by ship purchasers, Korea's continued success in shipbuilding is prone to require ever larger dependence on international credit markets, often to relend at concessional rates. Thus, the more success it has in exporting, the higher are Korea's borrowing requirements.

Korea's commitment to contain the rise in its foreign debt is eminently prudent. While an academic argument can be mounted that such a dynamic country should be a net capital importer in the interest of efficient international allocation of world capital, the paramount practical consideration must be to safeguard the country's high credit market standing. No matter how satisfactory the country's export and current account performance, confidence factors are crucial to credit markets. Their judgment will hinge significantly on their perceptions of the resolve with which Korea pursues its liberalization program and of the country's willingness to moderate domestic expansion in the event that external performance proves less robust than now expected. The markets also are necessarily concerned for Korea's political future. Following last fall's bombing in Rangoon, relations between the Republic and North Korea reached a postarmistice low. It is encouraging that tentative steps are now being taken to defuse tensions.

Nevertheless, it remains vital that Korea maintain its conservative approach to new foreign borrowing and that it move forthrightly to formulate a credible program to fund a major fraction of its large short-term debt. In these ways, Korea can most effectively alleviate its vulnerability to debt-servicing troubles.

Lessons

Last year Korea achieved a long-sought goal: high economic growth, virtual price stability, and an improving current account balance. While some aspects of its experience are country specific, several general lessons may be drawn.

First, early and decisive implementation of adjustment policies — while reserve holdings remain adequate — is critically important to forestall a liquidity or debt-servicing crisis. There are times when gradualism is not enough. Korea's 1980 experience demonstrates that with strong political commitment shock therapy can yield quick and major benefits. Capital flight was averted, and it was possible to resume economic growth in no more than a year. In addition, to retain the confidence of creditors, Korea's example shows the advisability of involving the IMF and the World Bank early in

the process to secure financial and technical support.

Second, restrained demand management must play a key role in restoring external equilibrium, since an unsustainable current account deficit is the manifestation of excessive domestic absorption relative to domestic production. Demand restraint is most readily achieved where the tax system is broad based and where the scope of public-sector activities and credit demands do not inhibit monetary control. Without effective monetary restraint inflation cannot be contained successfully. Exchange rate policy should be used for balance of payments adjustment, not for suppressing inflation. And the costs of disinflation are minimized if restrictive union practices do not limit flexible determination of wages.

Third, there is more to successful adjustment than the mere restoration of macroeconomic balance. Korea's inflationary and directed industrial policies of the 1970s could not cope well with the adversities following the second oil shock. Industrial targeting led to a massive waste of resources. Korea's renewed economic progress owes much to the removal or lessening of exchange and price controls and of interest rate distortions that deter savings and misallocate resources.

Finally, an outward-looking development strategy such as Korea is pursuing will best achieve sustainable external payments balance, with output growth and increased exports rather than import compression. Although autarchy can insulate an economy to some degree from external adversity, experience in Latin America and elsewhere reveals its long-term pitfalls. Under an open strategy, flexibility and efficiency are spurred by the competitive pressures of both domestic and import liberalization and by technology inflows from abroad. Moreover, notwithstanding some short-run balance of payments cost, import liberalization by developing countries serves the important objective of defusing the protectionist tendencies in industrial countries that are now the most serious obstacle to sustained global economic progress.

Statistical appendix

for key to data in tables see pages 18 and 19.

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Information herein is from sources considered to be reliable but is furnished without responsibility on the part of Morgan Guaranty Trust Company.

Nominal effective exchange rates

Index numbers, 1980-82 average=100. Each index shows a currency's trade-weighted appreciation or depreciation measured against 15 other major currencies, using averages of daily noon spot exchange rates in New York and bilateral trade weights based on 1980 trade in manufactures. Annual figures are calendar year averages.

	United States	Canada	Japan	Australia	France	Germany	Italy	United Kingdom	Austria	Belgium	Neth-erlands	Spain	Swit-zerland	Den-mark	Norway	Swe-den
Pre-June 1970 parities	114.6	114.4	69.0	116.4	111.1	66.2	226.2	147.5	80.6	91.1	82.1	143.2	51.3	113.0	92.3	119.6
Smithsonian central rates	103.1	121.9	77.2	116.7	109.8	68.9	220.9	146.7	80.6	92.3	82.9	142.7	53.2	110.8	90.9	117.6
1980	90.7	100.4	95.5	96.0	106.5	100.0	108.4	99.8	99.4	105.9	100.2	106.5	95.4	105.1	98.2	103.9
1981	99.5	100.2	105.8	104.0	100.4	97.2	98.8	102.1	98.9	101.8	97.1	99.4	98.3	99.2	100.1	103.3
1982	109.8	99.4	98.6	100.1	93.1	102.8	92.8	98.1	101.7	92.3	102.7	94.1	106.3	95.7	101.7	92.8
1983	114.2	100.8	107.8	92.0	87.3	107.6	90.3	91.6	103.6	90.0	105.0	78.4	111.5	96.4	99.4	82.2
1983																
February	111.0	100.5	105.9	96.8	91.9	107.0	92.6	88.2	103.6	91.0	106.2	81.9	110.3	98.6	98.0	81.1
March	112.0	100.9	105.8	89.3	90.8	108.9	91.3	86.4	104.8	92.2	106.5	80.5	108.4	98.7	97.8	81.2
April	112.5	100.4	106.4	87.5	87.7	109.1	91.3	90.2	104.4	91.5	105.1	80.1	109.9	98.7	98.7	81.5
May	112.2	100.6	107.9	88.2	86.8	108.5	90.8	92.9	104.0	90.8	104.8	79.5	110.6	97.5	99.3	81.7
June	114.3	100.8	106.6	89.4	86.4	107.6	90.7	93.6	103.4	90.2	104.6	78.3	110.6	96.2	99.5	82.2
July	115.1	101.0	106.9	89.8	86.2	107.2	90.6	93.4	103.5	89.7	104.5	76.8	111.7	95.4	99.9	82.6
August	117.0	101.2	106.2	91.5	85.6	106.5	89.6	94.0	103.1	89.2	104.1	77.0	112.3	94.5	100.3	82.8
September	116.7	101.3	107.1	92.2	85.6	106.9	88.9	93.8	103.3	88.8	104.2	76.7	112.4	94.9	100.9	82.6
October	114.8	101.0	110.7	93.5	85.4	108.0	88.6	92.2	103.8	88.7	105.0	76.0	113.2	95.2	100.8	82.3
November	116.5	100.9	110.7	94.8	85.1	107.1	88.3	92.8	103.2	88.4	104.4	75.9	112.8	94.6	100.9	82.7
December	118.0	100.4	112.1	94.2	84.7	106.8	88.0	91.8	102.8	88.2	104.1	75.8	113.8	94.0	99.5	83.1
1984																
January	119.1	100.5	113.3	95.5	84.1	106.5	87.6	91.5	102.6	87.7	103.7	76.3	113.8	93.6	99.2	83.4
February	117.3	100.2	112.0	97.2	84.7	108.0	87.0	91.4	103.3	88.2	104.3	77.1	112.3	94.0	99.0	82.9
January 6	118.6	100.4	113.4	94.5	84.4	106.6	87.9	91.5	102.7	87.8	104.0	76.0	113.5	93.9	99.1	83.2
13	119.4	100.4	113.4	95.7	84.0	106.3	87.7	91.4	102.5	87.8	103.7	75.9	114.1	93.5	99.0	83.3
20	118.9	100.6	113.3	94.9	84.2	106.5	87.6	91.7	102.8	87.7	103.6	76.5	114.1	93.6	99.5	83.2
27	119.2	100.7	113.2	95.9	84.1	106.4	87.5	91.4	102.5	87.7	103.5	76.8	113.9	93.3	99.3	83.6
February 3	118.7	100.5	112.9	96.7	84.3	106.9	87.3	91.4	102.7	87.7	103.8	77.0	113.6	93.6	99.2	83.2
10	118.2	100.5	112.5	97.1	84.5	107.6	87.1	90.9	103.2	88.0	104.1	77.1	112.8	94.1	99.4	82.3
17	117.2	100.3	112.0	97.8	84.8	108.4	87.1	91.3	103.4	88.5	103.4	77.0	112.1	94.1	99.1	82.7
24	116.7	99.9	111.5	97.5	84.8	108.5	87.0	91.6	103.6	88.6	104.6	77.1	111.7	94.0	99.0	82.9

Real effective exchange rates

Index numbers, 1980-82 average=100. Each index is the corresponding nominal effective exchange rate adjusted for differential inflation in wholesale prices of nonfood manufactures. Underlying price data are partly estimated. Index revisions reflect revised price information or, less frequently, adoption of new price indices to measure inflation in one or more countries.

	United States	Canada	Japan	Australia	France	Germany	Italy	United Kingdom	Austria	Belgium	Neth-erlands	Spain	Swit-zerland	Den-mark	Norway	Swe-den
1980	89.5	99.6	103.1	93.1	102.2	103.5	103.5	99.2	100.2	107.5	100.0	102.0	98.7	103.7	96.4	101.3
1981	100.7	100.0	104.7	102.8	100.2	97.4	98.7	101.9	99.1	100.3	97.7	99.1	98.8	99.3	101.2	102.1
1982	109.8	100.4	92.3	104.1	97.7	99.1	97.8	98.9	100.7	92.1	102.4	99.0	102.5	96.9	102.4	96.5
1983	112.4	102.9	96.4	99.7	95.8	99.2	99.8	94.5	101.5	91.5	101.7	89.2	105.1	98.6	101.0	91.0
1983																
February	110.2	101.4	96.8	103.7	98.4	99.8	99.9	90.8	102.5	92.8	103.6	91.5	104.9	100.9	100.0	88.6
March	110.6	102.7	96.5	96.3	97.6	101.1	99.7	89.2	103.8	94.0	103.5	90.3	103.0	101.0	99.3	88.7
April	110.4	103.0	96.1	94.6	96.1	100.9	100.1	93.2	102.5	93.0	101.7	90.4	103.9	100.9	100.3	89.3
May	110.3	103.3	96.9	95.4	94.6	100.1	100.2	96.2	101.6	92.7	101.3	90.3	104.1	100.0	101.4	90.0
June	112.6	103.2	95.3	96.6	94.3	99.3	100.0	96.9	101.0	92.3	101.0	89.4	104.0	98.4	100.8	91.2
July	113.3	103.7	95.2	97.2	95.0	98.3	100.1	96.4	101.3	91.8	101.3	87.7	104.7	97.2	101.2	92.1
August	115.2	103.8	93.6	99.3	94.4	98.1	98.9	97.1	100.6	91.2	100.9	87.9	105.7	95.7	100.9	92.8
September	113.9	104.3	94.7	100.7	94.9	98.0	99.3	97.3	100.4	90.5	100.9	88.1	105.5	97.4	102.3	92.4
October	113.2	103.0	97.2	102.0	95.5	98.8	99.4	94.9	101.3	90.0	100.8	87.6	106.0	97.8	102.5	92.1
November	114.3	103.1	97.3	103.8	95.5	97.7	99.6	95.3	100.7	89.4	100.5	88.3	105.7	97.1	103.1	93.1
December	115.4	102.9	98.4	103.4	95.6	97.4	99.7	94.3	100.3	88.8	99.8	88.7	106.6	95.5	101.4	93.9
1984																
January	116.4	102.9	99.2	105.1	95.5	96.9	99.8	94.4	100.1	88.0	99.1	89.8	106.4	95.0	100.8	94.4
February	114.4	102.5	97.9	107.2	96.8	98.0	99.6	94.2	100.9	88.2	99.4	91.2	104.9	95.3	100.3	94.2

Eurocurrency deposit rates

prime banks' bid rates, at or near end of month

	1980	1981	1982	1983							1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Eurodollar											
overnight	19.25	12.87	9.25	9.50	9.75	9.38	9.25	9.25	9.00	9.50	9.25
one month	19.12	13.31	9.13	9.50	9.81	9.88	9.38	9.44	9.69	9.69	9.50
three months	17.55	13.75	9.19	9.69	10.19	10.25	9.50	9.63	9.75	9.81	9.63
six months	16 37	14.81	9.50	9.94	10.63	10.63	9.69	9.69	9.94	10.06	9.88
twelve months	14.87	14.75	9.63	10.06	10.75	10.94	10.00	9.94	10.31	10.38	10.19
Euro-Canadian dollar											
one month	17.50	15.37	10.00	8.88	9.00	8.88	9.06	8.94	9.25	9.13	9.63
three months	16.88	15.37	10.00	9.19	9.38	9.38	9.13	9.19	9.38	9.50	9.63
six months	15.37	16.37	10.13	9.69	9.88	9.88	9.38	9.38	9.56	9.75	9.88
twelve months	14.00	16.37	10.25	9.94	10.13	10.44	9.75	9.69	9.75	10.00	10.06
Euro-French franc											
one month	11.12	15.75	23.00	12.38	12.13	13.00	12.75	12.25	12.25	12.13	12.13
three months	11.75	17.00	24.00	14.94	13.50	15.00	14.31	12.88	13.19	12.19	13.00
six months	12.25	18.00	22.00	16.69	15.25	16.75	15.81	14.00	14.13	12.31	13.75
twelve months	12.87	18.25	19.75	18.00	16.75	16.88	16.19	14.88	14.69	12.63	14.38
Euromark											
one month	8.87	10.44	5.88	4.94	4.81	5.25	5.56	5.56	6.19	5.25	5.69
three months	8 87	10.50	5.88	5.19	5.06	5.50	5.75	5.81	6.19	5.88	5.88
six months	8.87	10.56	5 94	5.50	5.50	5.94	5.88	5.81	6.19	6.13	6.19
twelve months	8.93	10.25	6.00	5.94	5.94	6.44	6.19	6.13	6.44	6.38	6.38
Euro-Dutch guilder											
one month	8.87	10.75	5.13	4.94	5.44	6.00	5.94	5.75	6.00	5.81	5.88
three months	9.31	10.75	5.19	5.38	5.63	6.25	6.19	6.06	6.19	6.00	5.94
six months	9.37	10.75	5.38	5.88	6.00	6.44	6.25	6.19	6.31	6.25	6.13
twelve months	9.62	10.75	5.63	6.13	6.31	6.75	6.56	6.50	6.63	6.38	6.44
Euro-Swiss franc											
one month	6.00	8 87	2.81	4.56	4.69	4.19	3.69	3.50	4.06	3.38	3.00
three months	6.00	9.25	3.25	4.63	4.75	4.44	4.13	4.13	4.06	3.75	3.44
six months	5.75	9.25	3.44	4.75	4.88	4.81	4.31	4.19	4.19	3.94	3.81
twelve months	5.50	8.50	3.44	4.69	4.81	4.94	4.38	4.31	4.38	3.94	3.94
Eurosterling											
one month	14.75	15.37	10.56	9.63	9.56	9.56	9.63	9.19	9.06	9.13	9.19
three months	14.75	15.69	10.44	9.63	9.81	9.75	9.56	9.25	9.25	9.31	9.38
six months	14.25	15.69	10.31	9.88	10.25	10.13	9.56	9.38	9.44	9.50	9.56
twelve months	14.00	15.37	10.31	10.06	10.50	10.50	9.81	9.69	9.69	9.81	9.88
Euroyen											
one month	9.12	6.12	6.75	6.44	6.44	6.69	6.69	6.13	7.25	6.25	6.13
three months	9.25	6.12	6.75	6.50	6.50	6.63	6.69	6.31	6.75	6.31	6.31
six months	9.62	6.87	7 10	6.50	6.56	6.63	6.69	6.31	6.69	6.38	6.31
twelve months	9.37	6.87	6.81	6.50	6.56	6.75	6.69	6.44	6.69	6.44	6.44

International bond issues — by currency

new issues with a maturity of three years or more, publicly offered or privately placed in the period
millions of dollars

	1981	1982	1983	1983	1984		Jan-Feb	
				Dec	Jan	Feb	1984	1983
Eurobonds	**31 616**	**51 645**	**48 447**	**1 277**	**6 679**	**7 093**	**13 772**	**8 601**
U.S. dollar	26 830	43 959	38 406	760	5 771	5 635	11 406	6 779
Canadian dollar	634	1 201	1 039	56	112	16	128	188
German mark	1 277	2 588	3 817	200	302	462	764	947
British pound	501	748	1 915	108	281	408	689	14
Japanese yen	368	374	212	—	—	—	—	85
European composite unit	309	1 980	2 019	62	125	400	525	363
Other	1 697	795	1 039	91	88	172	260	225
Foreign bonds	**21 369**	**26 397**	**27 386**	**1 821**	**1 807**	**2 324**	**4 131**	**6 104**
U.S. dollar	7 552	5 946	4 400	700	—	—	—	1 014
German mark	1 310	2 952	2 671	36	161	301	462	440
Dutch guilder	481	956	1 053	—	63	158	221	225
British pound	746	1 214	520	22	56	178	234	99
Swiss franc	8 285	11 432	14 299	762	1 236	1 210	2 446	3 607
Japanese yen	2 457	3 418	3 772	297	278	171	449	698
Other	538	479	671	4	13	306	319	21
Total	**52 985**	**78 042**	**75 833**	**3 098**	**8 486**	**9 417**	**17 903**	**14 705**

International bond issues — by country of borrower

new issues with a maturity of three years or more, publicly offered or privately placed in the period
millions of dollars

	1981	1982	1983	1983	1984		Jan-Feb	
				Dec	Jan	Feb	1984	1983
Industrial countries	**40 861**	**63 062**	**59 875**	**2 464**	**7 102**	**7 932**	**15 034**	**12 456**
Australia	991	2 250	2 394	80	181	109	290	287
Austria	1 557	1 668	1 265	100	216	161	377	156
Belgium	527	211	1 153	100	—	—	—	51
Canada	10 648	11 979	7 411	792	748	367	1 115	1 549
Denmark	695	1 269	1 719	72	600	162	762	180
Finland	672	815	866	4	145	50	195	206
France	3 156	8 456	6 405	250	522	1 319	1 841	1 581
Germany	279	1 101	3 095	79	281	473	754	656
Ireland	517	625	959	—	—	—	—	122
Italy	1 108	2 214	1 565	36	250	46	296	230
Japan	6 928	8 397	13 966	400	1 754	2 043	3 797	2 998
Netherlands	630	894	946	65	106	292	398	62
New Zealand	1 107	1 375	455	—	—	86	86	184
Norway	530	832	667	26	100	25	125	186
Portugal	30	206	76	—	—	21	21	46
South Africa	92	374	548	105	—	64	64	117
Spain	444	747	1 449	43	272	21	293	292
Sweden	2 050	2 479	3 755	85	176	546	722	1 769
United Kingdom	1 408	1 201	1 398	50	300	835	1 135	124
United States	6 770	14 538	7 486	90	1 415	1 013	2 428	1 319
Yugoslavia	—	—	—	—	—	—	—	—
*Other**	722	1 431	2 297	87	36	299	335	341
Developing countries	**4 886**	**5 003**	**2 473**	**21**	**466**	**47**	**513**	**87**
Latin American countries	**3 658**	**2 480**	**71**	—	—	—	—	—
Argentina	195	—	—	—	—	—	—	—
Brazil	60	91	—	—	—	—	—	—
Chile	30	—	—	—	—	—	—	—
Colombia	20	35	—	—	—	—	—	—
Ecuador	—	—	—	—	—	—	—	—
Mexico	3 012	1 919	—	—	—	—	—	—
Panama	25	—	21	—	—	—	—	—
Peru	25	—	—	—	—	—	—	—
Venezuela	291	385	—	—	—	—	—	—
*Other***	—	50	50	—	—	—	—	—
Asian countries	**1 068**	**2 075**	**2 190**	**21**	**426**	**47**	**473**	**87**
Hong Kong	70	40	50	—	—	—	—	—
India	271	225	60	—	—	—	—	—
Indonesia	97	412	328	—	—	—	—	—
Korea	323	172	556	21	55	20	75	70
Malaysia	—	807	831	—	350	—	350	—
Philippines	99	50	—	—	—	—	—	—
Singapore	30	125	70	—	—	—	—	—
Thailand	93	63	255	—	21	27	48	17
Other	85	181	40	—	—	—	—	—
Middle Eastern and African countries	**160**	**448**	**212**	—	**40**	—	**40**	—
Algeria	—	—	—	—	—	—	—	—
Egypt	—	75	—	—	40	—	40	—
Israel	117	200	135	—	—	—	—	—
Ivory Coast	—	—	—	—	—	—	—	—
Morocco	—	—	—	—	—	—	—	—
United Arab Emirates	—	20	—	—	—	—	—	—
Other	43	153	77	—	—	—	—	—
Centrally planned countries	**75**	**65**	**75**	—	—	—	—	—
China	—	65	50	—	—	—	—	—
Hungary	20	—	—	—	—	—	—	—
Poland	—	—	—	—	—	—	—	—
*Other****	55	—	25	—	—	—	—	—
International organizations****	**7 163**	**9 912**	**13 410**	**613**	**918**	**1 438**	**2 356**	**2 162**
Total	**52 985**	**78 042**	**75 833**	**3 098**	**8 486**	**9 417**	**17 903**	**14 705**

*Includes multinational organizations.
**Includes unallocated.
***Includes COMECON institutions.
****Includes regional development organizations.

Eurocurrency bank credits — by country of borrower

credits with a maturity of one year or more, publicly announced in period
millions of dollars

	1981	1982	1983	1983	1984		Jan-Feb	
				Dec	Jan	Feb	1984	1983
Industrial countries	**86 022**	**42 471**	**38 406**	**2 780**	**9 532**	**2 046**	**11 578**	**6 946**
Australia	1 680	4 721	2 911	535	91	45	136	580
Belgium	360	1 172	883	—	—	—	—	—
Canada	4 112	3 838	967	—	640	—	640	—
Denmark	1 661	789	1 586	—	8	10	18	1 300
Finland	463	631	283	55	—	—	—	—
France	3 912	5 703	1 708	—	133	—	135	450
Greece	1 039	770	1 085	—	—	—	—	20
Ireland	1 361	401	764	143	—	—	—	41
Italy	6 030	3 657	2 936	58	204	107	311	452
Norway	713	1 769	1 210	600	—	—	—	—
Portugal	1 590	1 388	899	99	—	29	29	—
South Africa	287	1 479	752	—	—	50	50	550
Spain	3 242	1 849	2 996	323	154	98	252	829
Sweden	1 867	649	3 188	—	—	—	—	1 600
United Kingdom	747	1 635	1 328	59	10	650	660	39
United States	54 784	6 516	12 948	908	8 142	1 050	9 192	600
Yugoslavia	684	719	615	—	—	—	—	—
*Other**	1 014	1 374	1 347	—	150	7	152	35
Developing countries	**45 264**	**41 519**	**32 883**	**183**	**7 718**	**1 125**	**8 843**	**14 495**
Latin American countries	**30 152**	**26 719**	**15 316**	**45**	**6 530**	**170**	**6 700**	**9 716**
Argentina	2 534	1 565	1 750	—	—	—	—	—
Brazil	5 751	5 716	4 475	—	6 500	—	6 500	4 450
Chile	2 204	1 194	1 319	—	—	—	—	—
Colombia	1 030	741	459	—	—	170	170	—
Ecuador	934	815	431	—	—	—	—	—
Mexico	7 530	7 953	5 138	—	—	—	—	5 000
Peru	1 407	1 069	500	—	—	—	—	16
Venezuela	7 559	6 799	237	—	—	—	—	237
*Other***	948	489	1 007	45	30	—	30	13
Asian countries	**10 288**	**8 403**	**8 824**	**100**	**1 020**	**450**	**1 470**	**3 629**
India	377	284	809	—	50	—	50	461
Indonesia	725	1 250	1 467	15	600	15	615	1 126
Korea	2 824	2 923	3 250	20	105	298	403	830
Malaysia	1 725	1 909	950	30	—	—	—	560
Pakistan	350	455	365	—	—	—	—	73
Philippines	1 257	635	815	—	—	—	—	333
Thailand	692	268	349	35	—	40	40	—
Other	1 674	646	819	—	265	97	362	246
Middle Eastern and African countries	**4 824**	**6 397**	**8 743**	**38**	**168**	**505**	**673**	**1 150**
Algeria	—	26	1 934	—	—	—	—	—
Egypt	63	353	335	—	—	—	—	—
Morocco	774	326	294	—	20	75	95	25
Nigeria	1 802	2 042	1 775	—	—	—	—	33
Turkey	100	277	1 078	—	—	353	353	140
United Arab Emirates	363	93	876	—	—	—	—	690
Other	1 223	2 842	2 451	38	148	77	225	262
Centrally planned countries	**1 791**	**765**	**1 212**	**200**	**150**	**302**	**452**	**200**
East Germany	470	8	392	—	—	—	—	—
Hungary	550	340	683	200	—	302	302	200
Soviet Union	25	374	68	—	150	—	150	—
*Other****	376	—	59	—	—	—	—	—
International organizations***	**302**	**150**	**1 321**	—	—	—	—	21
Total	**133 379**	**84 905**	**73 822**	**3 163**	**17 400**	**3 473**	**20 873**	**21 212**

*Includes multinational organizations. **Includes unallocated. ***Includes COMECON institutions. ****Includes regional development organizations.

Eurocurrency market size

measured by foreign currency liabilities
at end of period, billions of dollars

	1977	1978	1979	1980	1981	1982		1983		
						Sep	Dec	Mar	Jun	Sep
Gross market size	740	949	1 233	1 524	1 861	2 017	2 057	2 086	2 056	2 133
Nonbanks	135	174	245	327	428	468	474	472	489	515
Official monetary institutions	100	115	145	150	132	105	90	90	84	90
Other banks	505	660	843	1 047	1 301	1 444	1 493	1 524	1 483	1 528
Eurodollars as % of gross	76	74	72	75	78	81	79	80	80	80

Central bank discount rates

at or near end of month

	1980	1981	1982	1983				Current	
	Dec	Dec	Dec	Mar	Jun	Sep	Dec	Feb 29 1984	effective since
United States	13 00	12 00	8.50	8 50	8.50	8 50	8.50	8.50	Dec 15, 82
Canada	17.36	14.66	10.05	9 42	9.42	9.49	9.96	10.04	Feb 23, 84
Austria	6.75	6.75	4.75	3.75	3.75	3.75	3.75	3.75	Mar 18, 83
Belgium	12.00	15.00	11.50	11.00	9 00	9 00	10.00	11.00	Feb 16, 84
Denmark	11.00	11.00	10.00	8.50	7.50	7.50	7 00	7.00	Oct 27, 83
Finland	9.25	9 25	8.50	8.50	8.50	9.50	9.50	9.50	Jul 1, 83
France	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	Aug 31, 77
Germany	7.50	7 50	5 00	4.00	4.00	4.00	4.00	4.00	Mar 18, 73
Ireland	12.75	17 15	14 35	14.35	13.80	12 20	11.50	11.50	Nov 11, 83
Italy	16.50	19 00	18.00	18.00	17.00	17.00	17.00	10.00	Feb 16, 84
Netherlands	8.00	9 00	5.00	3.50	4.50	5.00	5.00	5.00	Sep 9, 83
Norway	9.00	9.00	9 00	9.00	8.00	8.00	8.00	8.00	Jun 6, 83
Portugal	18.00	18.00	19.00	23 00	23.00	25.00	25.00	25.00	Aug. 83
Spain	8.00	8.00	8.00	8.00	8.00	8 00	8.00	8.00	Jul 26, 77
Sweden	12 00	11 00	10.00	9.00	8.50	8.50	8.50	8.50	Apr 8, 83
Switzerland	3.00	6.00	4.50	4.00	4.00	4.00	4.00	4.00	Mar 18 83
United Kingdom	14.00	14.37	10.00	10.50	9.56	9.50	9.00	9.00	Oct 4, 83
Japan	7.25	5.50	5.50	5.50	5.50	5.50	5.00	5.00	Oct 22, 83
New Zealand	14.00	13 00	13.00	13.00	13.00	13.00	13.00	13.00	Jul, 81
South Africa	7.00	13.50	13.50	13.50	13.50	13.50	13.50	13.50	Dec 12, 81
Argentina	87.01	98.50	128.54	145.29	161.87	183.75	183.75	183.75	Sep 5, 83
Korea	15 01	10.50	5.00	5.00	5.00	5.00	5.00	5.00	Mar 29, 82
Philippines	4.00	4.00	4 00	4.00	4.00	4 00	4.00	4.00	May 19, 78
Singapore	10 50	9 50	7 00	7.00	7.00	7.00	7.00	7.00	Feb 19, 82
Thailand	13 50	14 50	12.50	11.50	11.50	11.50	13.00	13.00	Dec 9, 83
Venezuela	13.00	14.00	13.00	13.00	11.00	11.00	11.00	11.00	May 18, 83

Day-to-day money rates

monthly averages

	1980	1981	1982	1983							1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
United States	18.90	12.37	8.95	8.98	9.37	9.56	9.45	9.48	9.34	9.47	9.56
Canada	15.61	14.53	10.63	9.45	9.31	9.35	9.25	9.35	9.43	8.78	9.60
Austria	11.50	7.50	6.00	4.50	5.00	5.00	5.50	5.63	5.63	5.75	5 88
Belgium	9.68	12.78	9.43	7.68	7.49	7.61	6.38	6.89	8.58	8.65	8.03
Finland	12.50	11.30	11.50	15.00	15.00	15.00	16.67	16.95	16.70	16.70	17.50
France	10 87	15.46	12.88	12.61	12.40	12.54	12.56	12.35	12.37	12.27	12 39
Germany	9.13	10.65	6.07	5.05	5.04	5.07	5.43	5.53	5.59	5.60	5.61
Ireland	13 31	16.88	14.54	13.62	13.75	12.50	12.63	11.00	12.25	12.19	12.12
Italy	17.50	20.63	19 00	17.80	17.75	17.88	17.69	17.75	17.79	17.88	17.91
Netherlands	8.37	10.67	5.31	5.06	5.29	5.77	5.68	5.82	5.70	5.84	5 77
Norway	11.00	18.60	11.00	12.00	12.00	12.70	12.30	13.50	13.00	13.00	12.80
Spain	16.74	18.73	20.30	20.10	21.05	23.33	19.85	20.27	18.56	16.41	10 16
Sweden	11.41	13 82	8.63	11.05	11.00	10.15	11.30	12.00	11.97	11.48	11.36
Switzerland	5.75	3.38	1.25	3.00	3.00	2.00	2.00	1.75	1.63	1.88	1 00
United Kingdom	13 00	9 13	6.70	6 63	6.60	6.31	7.30	7.81	7.06	7.77	7.31
Australia	9 51	12 84	11.04	10.87	9.84	10.13	9.80	9.03	9.31	4.56	7.09
Japan	9.49	6.70	6 92	6 20	6.39	6.46	6.53	6.43	5.99	6.47	6 05
South Africa	5.60	12.34	12.90	10.91	12.29	13.62	13.43	13.66	14.24	15.63	16.17
Argentina	70 84	84.93	155.32	170 43	210.04	106.40	178 30	178.30	178.30	178.30	138 61
Hong Kong	14 05	10.75	9.13	12.38	7.00	6.81	13.25	18.00	10.00	13.90	7.25
Korea	14 82	14.40	13 84	13.40	12.70	12.70	12 80	12.80	12.90	11.40	11.30
Philippines	15.70	14.70	16.12	13.05	13.59	15.56	16.54	24.23	18 96	31.18	n.a.
Singapore	10.23	3.96	11.45	5.96	8.08	6.33	6.51	7.02	7.23	7.05	6.92

Treasury bill rates

bond equivalent yields, at or near end of month

	1980	1981	1982	1983						1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
United States	14.87	11.90	8.15	9.02	9.50	9.52	9.05	8.92	9.05	9.28	9.20
Canada	17.01	14.41	9.80	9.17	9.24	9.32	9.24	9.24	9.38	9.71	9.73
Belgium	12.75	16.00	12.25	9.50	9.25	9.25	9.25	9.50	10.85	10.85	10.85
Ireland	12.84	17.35	14.70	12.95	13.09	13.01	12.12	11.96	11.66	11.63	11.80
Italy	16.87	21.36	19.11	17.35	17.35	17.24	17.18	17.08	17.05	16.95	15.74
Netherlands	8.00	9.75	5.63	4.63	5.38	6.00	5.88	5.63	5.63	5.63	5.75
Spain	17.20	15.83	16.96	21.52	22.53	22.93	22.24	20.74	19.08	17.61	n.a.
Sweden	12.87	9.20	12.90	11.00	11.60	11.55	12.20	12.10	12.10	11.75	11.10
United Kingdom	13.45	15.31	9.90	9.29	9.40	9.57	9.21	8.89	9.08	9.08	9.08
Australia	12.17	13.27	9.39	11.93	10.59	10.96	10.34	9.38	9.32	8.54	9.43
Japan	5.93	5.42	5.42	5.42	5.42	5.42	5.42	4.91	4.91	4.91	4.91
New Zealand	11.25	11.25	11.25	12.00	7.80	7.80	7.80	7.80	7.80	7.80	7.80
South Africa	6.31	14.55	14.62	13.96	14.46	16.19	14.91	15.66	17.47	18.43	18.55
Korea	16.35	16.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Mexico	27.73	33.33	57.44	62.36	61.10	57.89	56.17	54.50	53.85	n.a.	n.a.
Philippines	12.74	13.40	14.53	14.00	14.03	14.48	14.71	15.04	15.56	15.98	n.a.
Singapore	6.77	3.03	2.74	2.61	2.59	2.58	2.65	2.63	2.62	2.59	2.67

Representative money market rates

bond-equivalent yields on major short-term (mostly 3-4 month) money market instruments other than Treasury bills, at or near end of month

	1980	1981	1982	1983						1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
United States	17.62	12.78	8.81	9.34	9.57	9.52	9.36	9.26	9.31	9.75	9.36
Canada	17.50	15.25	9.95	9.45	9.40	9.50	9.40	9.40	9.60	9.87	9.85
Belgium	13.10	16.00	12.35	9.50	9.25	9.25	9.25	9.60	11.00	11.00	9.88
France	11.56	15.25	12.75	12.50	12.13	12.25	12.50	12.19	12.31	12.19	12.25
Germany	10.20	10.50	6.20	5.55	5.50	5.85	5.80	6.15	6.25	6.30	6.10
Ireland	13.63	18.50	15.75	13.63	13.88	13.38	12.69	12.53	12.38	12.19	12.25
Italy	17.37	21.00	19.00	17.50	17.50	17.60	17.50	17.63	17.88	17.88	17.88
Netherlands	9.37	11.00	5.25	5.38	5.69	5.31	6.25	6.13	6.31	6.00	5.94
Portugal	11.00	13.80	15.04	17.00	17.00	20.24	22.30	23.00	24.17	24.11	24.06
Spain	17.40	15.52	16.55	20.76	22.48	24.04	22.06	22.19	20.29	18.48	17.30
Switzerland	7.50	10.12	3.88	4.81	5.00	4.75	4.25	4.25	4.25	3.88	3.63
United Kingdom	14.75	15.69	10.50	9.75	10.06	9.75	9.56	9.31	9.25	9.31	9.38
Australia	13.00	16.00	10.65	13.85	12.10	12.20	11.15	11.00	10.60	9.50	11.00
Japan	9.80	6.30	6.80	6.47	6.59	6.61	6.62	6.30	6.42	6.42	6.30
New Zealand	14.25	16.05	16.75	16.75	12.75	10.25	10.00	10.75	12.00	12.10	13.85
South Africa	7.12	15.47	15.26	14.88	14.94	16.61	16.45	16.94	18.19	19.12	19.07
Chile	26.79	34.54	71.44	25.34	25.34	23.87	25.34	25.34	25.34	22.42	19.56
Hong Kong	17.69	14.18	10.13	12.88	9.88	8.94	12.75	16.88	11.50	12.84	11.38
Indonesia	12.54	14.48	18.50	16.50	14.50	15.00	16.50	15.00	15.00	19.50	19.00
Korea	16.35	15.69	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Malaysia	9.41	9.50	8.50	7.60	7.85	8.40	8.10	8.20	8.65	9.80	9.47
Philippines	15.01	17.61	15.91	15.06	15.96	15.62	16.49	18.26	17.34	15.60	n.a.
Singapore	14.12	7.81	8.69	7.81	7.88	7.38	7.38	7.50	7.63	8.44	7.75
Taiwan	14.49	10.94	9.94	8.69	8.98	9.28	8.38	7.82	7.26	7.65	9.22
Thailand	16.55	14.29	12.25	11.50	12.00	12.75	14.00	14.25	14.50	16.00	16.50

Commercial bank deposit rates

at or near end of month

	1980	1981	1982	1983						1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
United States	16.25	12.62	8.25	9.18	9.65	9.65	9.20	9.30	9.30	9.70	9.40
Canada	17.00	15.20	9.85	9.35	9.35	9.45	9.35	9.35	9.50	9.82	9.80
Austria	11.25	9.63	6.25	5.00	5.31	5.56	6.06	6.31	6.38	6.50	6.50
Belgium	12.63	15.50	12.25	9.25	9.13	9.25	9.50	9.38	11.25	11.25	10.88
Denmark	10.00	10.00	9.00	6.50	6.50	6.50	6.50	6.00	6.00	6.00	n.a.
Finland	5.00	5.00	4.25	4.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
France	11.25	9.16	8.24	8.24	8.24	7.30	7.80	7.70	7.70	7.66	7.72
Germany	8.00	9.50	6.00	4.90	4.90	4.90	5.63	5.60	5.80	5.90	5.65
Ireland	13.63	18.38	15.25	13.25	13.50	13.13	12.25	12.50	12.25	11.75	11.88
Italy	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25
Netherlands	9.50	11.00	5.38	5.50	5.63	5.25	6.13	6.06	6.19	6.13	5.94
Norway	11.00	12.75	13.50	12.50	12.50	12.50	12.50	12.50	12.50	12.75	13.00
Portugal	12.00	14.00	15.00	19.50	19.50	21.50	21.50	21.50	21.50	21.50	21.50
Spain	4.50	11.78	12.53	12.47	12.28	12.28	12.24	12.08	12.50	n.a.	n.a.
Sweden	14.00	15.00	15.00	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Switzerland	7.50	8.75	3.00	4.25	4.00	3.75	3.75	3.50	3.50	3.50	3.25
United Kingdom	14.87	15.69	10.31	n.a.	10.06	9.78	9.50	9.25	9.22	9.31	9.38
Australia	12.71	15.65	10.20	14.84	12.05	11.88	10.56	10.96	10.35	10.40	11.25
Japan	9.00	6.50	7.00	6.67	6.80	6.83	6.88	6.45	6.60	6.50	6.52
New Zealand	13.50	15.50	16.50	16.50	10.00	9.00	9.00	9.50	10.75	11.50	13.75
South Africa	7.87	14.75	15.25	14.75	14.95	16.62	17.00	17.00	18.43	20.13	19.45
Argentina	72.00	86.76	103.42	108.28	127.75	139.92	176.41	176.41	176.41	176.41	139.91
Chile	39.45	36.87	57.72	24.60	24.31	24.75	25.19	25.19	25.19	22.28	19.74
Hong Kong	13.00	12.50	7.50	10.50	8.50	8.50	12.00	10.00	9.00	9.00	7.00
Korea	14.82	14.40	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	6.00
Malaysia	8.60	10.00	8.40	6.80	6.80	6.80	7.15	7.15	7.60	7.75	7.75
Mexico	26.15	31.82	52.54	60.03	59.25	57.33	56.38	55.28	54.88	54.70	54.50
Philippines	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Singapore	13.19	7.50	8.25	7.01	7.44	6.88	6.81	7.07	7.19	7.44	7.13
Taiwan	10.25	10.75	7.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Thailand	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Venezuela	16.00	14.75	15.50	14.00	13.50	13.00	12.50	12.00	12.00	12.00	11.50

Domestic government bond yields

long-term issues, at or near end of month

	1980	1981	1982	1983						1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
United States	11.46	14.33	10.61	11.20	11.95	11.77	11.65	11.85	11.89	12.00	11.72
Canada	12.69	15.27	11.69	11.56	12.03	12.34	11.76	11.73	11.80	12.02	11.92
Austria	9.62	10.37	8.81	8.14	8.18	8.31	8.32	8.16	8.06	8.02	n.a.
Belgium	13.04	13.99	12.66	11.53	11.42	11.46	11.39	11.32	11.75	11.89	11.97
Denmark	19.98	20.91	20.14	15.38	15.56	14.92	14.19	13.95	14.22	12.96	n.a.
Finland	10.42	10.98	10.64	10.55	10.58	11.20	10.97	11.19	11.16	11.16	11.17
France	14.31	16.44	15.40	14.52	14.04	13.96	14.03	14.15	14.12	13.96	13.76
Germany	9.19	9.71	7.90	8.11	8.27	8.55	8.43	8.30	8.34	8.38	8.33
Ireland	15.63	18.28	14.54	13.61	13.81	13.60	13.72	13.82	13.72	14.25	n.a.
Italy	16.23	21.39	19.70	18.39	18.42	18.11	17.79	17.64	17.78	17.69	16.92
Netherlands	10.48	11.28	8.16	9.00	9.08	9.03	8.80	8.53	8.57	8.58	8.57
Norway	10.44	12.37	13.32	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
Portugal	17.19	17.39	16.63	18.45	19.30	21.57	21.97	22.05	22.80	n.a.	n.a.
Spain	16.15	16.20	15.92	17.74	17.60	18.31	18.76	19.47	19.50	18.71	n.a.
Sweden	12.61	12.80	13.01	12.17	11.85	11.24	12.20	12.24	13.05	12.30	11.70
Switzerland	4.63	5.40	4.22	4.59	4.76	4.73	4.71	4.61	4.62	4.52	4.31
United Kingdom	13.05	15.02	10.62	10.12	10.71	10.85	10.15	10.13	9.93	9.94	9.97
Australia	13.00	15.00	13.00	15.10	15.00	14.60	14.40	13.70	13.40	13.65	13.70
Japan	9.04	8.32	7.76	7.78	7.87	7.80	7.58	7.51	7.39	7.19	7.20
New Zealand	12.99	12.55	12.84	13.59	14.02	10.41	10.13	10.58	10.61	n.a.	n.a.
South Africa	11.81	13.33	11.31	13.12	13.29	13.40	13.14	13.29	13.60	13.70	14.18
Philippines	13.41	13.41	13.41	13.41	13.41	13.41	13.41	13.41	13.41	13.41	13.41
Venezuela	7.39	12.50	15.00	15.75	15.00	15.00	14.00	14.00	14.00	13.50	13.00
Eurodollars, European	n.a.	n.a.	12.53	12.27	12.90	12.67	12.40	12.44	12.52	12.65	12.33

Commercial bank lending rates to prime borrowers

at or near end of month

	1980	1981	1982	1983							1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
United States	21.50	15.75	11.50	10.50	10.50	11.00	11.00	11.00	11.00	11.00	11.00
Canada	18.25	16.50	12.50	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Austria	12.50	13.50	11.75	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Belgium	15.75	18.00	15.50	13.25	12.50	12.50	12.50	12.50	13.25	13.75	13.75
Denmark	13.75	15.00	14.00	10.50	10.50	10.50	10.50	10.50	10.00	10.00	n.a.
Finland	9.83	9.84	8.95	9.07	10.07	10.10	10.16	10.14	10.15	10.18	n.a.
France	12.25	14.00	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25
Germany	11.50	13.00	8.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Ireland	14.50	17.25	16.50	15.00	15.00	15.00	13.75	13.75	13.75	13.75	13.75
Italy	20.50	22.50	20.75	18.75	18.75	18.75	18.75	18.75	18.75	18.75	18.50
Netherlands	10.75	12.00	6.25	6.25	6.25	6.75	7.00	6.75	6.50	7.00	6.75
Portugal	12.50	13.75	14.50	14.88	13.88	13.13	13.50	13.25	13.75	13.50	13.63
Norway	18.75	20.50	23.50	27.50	27.50	30.00	30.00	30.00	30.00	30.00	30.00
Spain	18.50	17.04	19.00	22.73	23.47	25.19	24.09	23.70	22.87	20.85	20.01
Sweden	13.20	12.65	12.15	11.30	11.30	12.20	12.05	12.20	12.30	11.70	11.00
Switzerland	5.75	8.00	6.00	5.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00
United Kingdom	15.00	14.50	10.00	9.50	9.50	9.50	9.50	9.00	9.00	9.00	9.00
Australia	13.50	15.75	15.00	16.00	14.50	14.50	14.00	13.25	13.25	12.75	11.50
Japan	8.16	6.95	6.28	6.25	6.25	6.24	6.23	6.23	6.08	6.10	6.10
New Zealand	13.00	13.00	13.00	13.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00
South Africa	9.50	17.00	18.00	16.00	16.00	18.00	18.00	18.00	19.00	20.00	20.00
Argentina	77.00	92.60	109.50	184.00	240.00	152.08	188.58	188.58	188.58	188.58	152.08
Chile	49.55	61.43	85.19	44.21	43.14	37.50	39.83	40.60	40.40	35.11	31.43
Hong Kong	17.00	16.00	10.50	13.50	11.50	11.50	16.00	15.00	13.50	13.50	11.50
Indonesia	21.00	19.25	22.00	22.00	22.00	19.00	19.50	19.50	19.50	19.75	20.00
Korea	19.50	16.50	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Malaysia	8.50	12.00	12.50	10.75	10.75	11.00	11.00	11.00	11.00	11.00	11.00
Mexico	24.25	31.81	46.12	58.63	58.73	58.23	57.78	57.14	56.82	56.44	55.95
Philippines	16.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Singapore	13.60	11.83	9.33	8.88	9.00	9.00	8.95	8.93	8.93	8.98	9.05
Taiwan	16.20	15.25	10.75	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25
Thailand	16.50	17.00	16.00	16.00	16.00	15.50	15.50	15.50	15.50	16.00	16.00
Venezuela	15.00	15.50	17.00	17.00	16.50	16.25	16.00	16.00	16.00	16.00	16.00

Domestic corporate bond yields

long-term issues, at or near end of month

	1980	1981	1982	1983							1984
	Dec	Dec	Dec	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
United States	13.00	15.50	11.75	11.75	12.75	12.50	12.25	12.63	12.38	12.63	12.38
Canada	13.53	16.18	12.74	12.40	13.03	13.13	12.54	12.57	12.58	12.89	12.78
France	15.23	17.33	15.91	14.86	14.76	14.48	14.36	14.62	14.30	14.06	13.96
Germany	9.50	10.50	8.20	7.90	8.00	8.10	8.30	8.30	8.30	8.30	8.30
Netherlands	10.71	11.03	7.80	8.79	8.75	8.79	8.68	8.39	8.53	8.51	8.44
Norway	11.24	13.36	14.13	13.25	13.25	12.25	13.25	13.25	13.25	13.25	13.25
Spain	14.82	14.76	17.10	16.86	18.00	19.59	20.05	20.37	20.03	19.84	n.a.
Sweden	11.95	12.94	13.37	12.79	12.85	12.77	12.99	12.40	12.51	12.21	12.15
Switzerland	5.63	6.60	4.87	4.89	4.88	5.08	5.08	4.94	4.94	4.94	4.93
United Kingdom	14.21	16.65	12.34	11.89	12.34	12.27	11.89	11.84	11.51	11.57	11.52
Australia	14.25	16.50	15.00	16.00	15.75	15.50	15.00	15.00	15.00	13.50	14.00
Japan	8.60	7.70	7.55	7.30	7.34	7.32	7.30	7.29	7.27	7.09	7.05
Korea	28.20	26.90	15.90	13.90	13.90	13.90	14.20	14.10	14.20	14.20	14.30
Venezuela	16.15	17.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Eurodollars, U.S. companies	n.a.	n.a.	11.16	11.04	11.57	11.50	11.13	11.29	11.41	11.59	11.43

Key to data in tables

I. International markets

An *international bond* issue is one sold outside the country of the borrower. It may be either a Euro-bond issue or a foreign bond issue.

A *Euro-bond* issue is one underwritten by an international syndicate and sold principally in countries other than the country of the currency in which the issue is denominated.

A *foreign bond* issue is one underwritten by a syndicate composed of members from one country, sold principally in that country, and denominated in the currency of that country.

Data on *new international bond issue volume* include all publicly announced issues with an original maturity of three years or more, whether publicly or privately placed, but exclude those where the investor is a central bank, monetary authority, or government.

A *Euro-currency bank credit* is a loan in a currency which is not native to the country in which the bank office making the loan is located.

Data on *new Euro-currency bank credit volume* include all publicly announced loans with an original maturity of one year or more. A loan is included in the period in which the lending banks make a commitment covering the amount and terms of the loan to the borrower.

The *country of the borrower* is the residence of the borrowing entity, except where the entity is a financing vehicle, in which case the residence of the parent company and or guarantor is used.

Data on *Eurocurrency market size* are based on foreign currency liabilities of banks in major European countries, the Bahamas, Bahrain, Canada, Cayman Islands, Hong Kong, Japan, Netherlands Antilles, Panama, Singapore, and the United States (international banking facilities only).

II. Domestic markets

Day-to-day money rates

Argentina — 7-day interbank money regulated by the Central Bank.

Austria — day-to-day interbank rate.

Australia — approximate effective interest rate in the authorized short-term money market.

Belgium — interbank call money.

Canada — chartered banks' day-to-day loans.

Finland — Bank of Finland call money.

France — interbank call money against private paper.

Germany — interbank call money.

Hong Kong — interbank 24-hour call rate.

Ireland — interbank call money.

Italy — interbank 48 hour call money.

Japan — Tokyo interbank call money, unconditional lenders rate.

Korea — call money.

Netherlands — open-market call money.

Norway — day-to-day interbank rate.

Philippines — interbank call money.

Singapore — interbank overnight money.

South Africa — National Finance Corporation call money.

Spain — day-to-day interbank rate.

Sweden — interbank call money.

Switzerland — call money.

United Kingdom — call money.

United States — effective Federal funds rate.

Treasury bill rates

Australia — new issues of 13-week Treasury notes.

Belgium — 3-month Treasury certificates.

Canada — 3-month Treasury bills at tender.

Ireland — 3-month Central Bank Exchequer bills.

Italy — 6-month Treasury bills.

Japan — 60- to 62-day noninterest-bearing discount government bills.

Korea — 3-month Treasury bills until May 1981. New series as of June 1981, 1-month Treasury bills sold by Central Bank.

Mexico — 3-month Federal Treasury bills.

Netherlands — 3-month Treasury bills.

New Zealand — 3-month Treasury bills.

Philippines — 91-day Treasury bills at tender.

Singapore — 91-day Treasury bills at tender.

South Africa — 3-month Treasury bills at tender.

Spain — Bank of Spain 3-month certificates of deposit used for monetary correction.

Sweden — new issues of 3-month Treasury bills until June 1982. New series as of July 1982, 6-month Treasury discount notes, market rate.

United Kingdom — 91-day Treasury bills at tender.

United States — 3-month Treasury bills.

Representative money-market rates

Australia — 3-month prime finance company paper.

Belgium — 4-month Fonds des Rentes certificates.

Canada — 3-month prime finance company paper.

Chile — 60-day Central Bank promissory notes (PDBC).

France — 3-month interbank money against private paper.

Germany — 3-month interbank deposits.

Hong Kong — 3-month interbank deposits.

Indonesia — 1-month interbank deposits.

Ireland — 3-month interbank deposits.

Italy — 3-month interbank deposits.

Japan — 3-month repurchase agreements.

Korea — 3-month financial bill.

Malaysia — 3-month interbank deposits.

Netherlands — 3-month interbank deposits.

New Zealand — 90-day commercial bills.

Philippines — 90-day promissory notes.

Portugal — average of 30- to 90-day interbank deposits.

Singapore — 3-month bank acceptances.

South Africa — 90-day bank acceptances.

Spain — 1-month interbank deposits.

Switzerland — 3-month interbank deposits.

Taiwan — interbank call money.

Thailand — interbank call money.

United Kingdom — 3-month interbank deposits.

United States — 3-month prime industrial paper.

Commercial bank deposit rates

Argentina — nominal 30-day time deposits. Average of bank rates published by the Central Bank.

Austria — 3-month time deposits.

Australia — 3-month certificates of deposit.

Belgium — special maximum rate for 3-month time deposits in large amounts.

Canada — 3-month time deposits.

Chile — 30-day time deposits.

Denmark — time deposits of 3-months' notice.

Finland — time deposits of six-month notice.

France — 3-month time deposits of FF. 1,000,000.

Germany — 3-month time deposits in large amounts.

Hong Kong — 3-month certificates of deposit. Rate set by the Hong Kong Association of Banks.

Ireland — 3-month time deposits.

Italy — 3-month time deposits of Lit. 100 million or more.

Japan — 90-day negotiable certificates of deposit issued by the Tokyo office of Morgan Guaranty Trust Company.

Korea — 3-month time deposits.

Malaysia — 3-month time deposits.

Mexico — 3-month certificates of deposit issued by financieras to corporations for amounts over Ps. 1 million. Higher rates available to individuals.

Netherlands — 3-month time deposits in large amounts.

New Zealand — 6-month transferable certificates of deposit.

Norway — 3-month special term deposits.

Philippines — 3-month time deposits.

Portugal — 90- to 180-day time deposits.

Singapore — 3-month certificates of deposit.

South Africa — negotiable certificates of deposit.

Spain — maximum legal rate for 3-month deposits until May 1981. New series as of June 1981, deposits over 6-months and less than 1-year for Pts. 1 million or more reported by the Bank of Spain.

Key to data in tables — continued

Sweden — 3-month certificates of deposit.

Switzerland — 3-month time deposits.

Taiwan — 3-month time deposits.

Thailand — 3-month time deposits.

United Kingdom — 3-month time deposits.

United States — 3-month negotiable certificates of deposit issued by Morgan Guaranty Trust Company.

Venezuela — 6-month negotiable certificates of deposits for domestic depositors only.

Domestic government bond yields

Austria — Austrian National Bank average yield on all outstanding government bonds.

Australia — 20-year government bonds.

Belgium — Belgian National Bank average yield on government bonds maturing in more than five years.

Canada — Bank of Canada average yield on all direct government bonds due or callable in 10 years or more.

Denmark — 12% serial bonds maturing 2001 until April 1983. New series as of May 1983, 10% serial bonds maturing 2004.

Finland — rate of interest at issue on central government bonds intended for public subscription, weighted by sales of bonds in the latter half of each month.

France — Institut National de la Statistique et des Etudes Economiques (INSEE) yield on public and semi-public sector bonds.

Germany — Frankfurter Allgemeine Zeitung (FAZ) 7% public authority bond average until September 1978. New series as of October 1978, FAZ 10-year public authority bond average.

Ireland — 15-year government bonds.

Italy — average yield on fixed-interest government bonds, not including irredeemable bonds, weighted by the amounts in circulation, for maturities of 9-years or more.

Japan — secondary market yield for the 6.1% due 1988 national government bond.

Netherlands — Central Bureau of Statistics (CBS) average yield on three latest government bonds.

New Zealand — average yield on government bonds maturing after 10 years.

Norway — 5% government bond of 1996 until December 1982. New series as of January 1983, average yield of long-term government bonds.

Philippines — Central Bank 5-year Certificate of Indebtedness, regular issue.

Portugal — yield of 4% Centenary Loan of 1940.

South Africa — 25-year government bonds until August 1983. New series, as of September 1983, 20-year Republic of South Africa bonds.

Spain — weighted average of yields of several central government issues with original maturity of less than five years.

Sweden — 15-year government bonds until October 1983. New series as of November 1983, 5-year government bond yield index, market rate.

Switzerland — Swiss Confederation bond average.

United Kingdom — F.T. (Financial Times) Actuaries 25-year government stock.

United States — Morgan Guaranty 20-year U.S. Government Bond Index.

Venezuela — Banco Central average yield on public-sector bond issues.

Eurodollars, European — average secondary market yield of several actively traded, high quality issues of European governments and state agencies with a maturity of 7- to 12-years.

Commercial bank lending rates to prime borrowers

Argentina — average rate on 30-day loans.

Austria — overdraft rate for prime borrowers, including commission.

Australia — approximate overdraft rate for prime borrowers.

Belgium — prime overdraft rate.

Canada — prime rate.

Chile — average prime rate of six major commercial banks.

Denmark — approximate rate for loans and advances to prime borrowers.

Finland — average rates on total commercial bank lending.

France — base lending rate, excluding a commission of .05% per month on highest debit balance during the month. A spread above base rate is often added.

Germany — approximate effective overdraft rate for prime borrowers.

Hong Kong — prime rate.

Indonesia — prime rate for domestic affiliates of foreign companies.

Ireland — AA corporate borrowing rate.

Italy — unsecured overdraft rate for prime borrowers.

Japan — average contracted interest rate for short-term loans of city banks. In addition, compensating balances may be required.

Korea — prime rate.

Malaysia — Bank of Commerce Berhad base lending rate.

Mexico — base rate or average cost of money for banks determined monthly by the Banco de Mexico S.A.

Netherlands — overdraft rate for prime borrowers, including commission.

New Zealand — overdraft rate for prime borrowers.

Norway — overdraft rate, including a commission of .25% per quarter on the total line of credit until January 1983. New series as of February 1983, special rate of first class, large borrowers.

Philippines — maximum legal rate, for unsecured loans exclusive of service fee.

Portugal — maximum rate for 90- to 180-day loans.

Singapore — most common overdraft rate, major banks.

South Africa — unsecured overdraft rate for prime borrowers.

Spain — preferential rate for 1-month loans calculated by the Bank of Spain.

Sweden — overdraft rate for prime industrial borrowers, commission not included.

Switzerland — unsecured overdraft rate for prime borrowers, excluding commission of .25% per quarter on average or highest outstanding debit balance in quarter.

Taiwan — maximum rate for 3- to 12-month secured loans. Rate is an indication only and may vary from actual bank lending rate which is subject to volatile interbank rates.

Thailand — prime rate.

United Kingdom — clearing bank base lending rate. A spread above base rate is often added.

United States — prime rate of Morgan Guaranty Trust Company.

Venezuela — representative rate for domestic prime borrowers only.

Domestic corporate bond yields

Australia — new issue yields for AA corporate bonds having a maturity of 5- to 7-years.

Canada — McLeod, Young, Weir Co. Ltd., weighted long-term bond yield index for AA corporates.

France — INSEE tax-adjusted average yield on outstanding private corporate bonds.

Germany — Bundesbank average yield on industrial bonds.

Japan — secondary market yield for NTT bond maturing March 1987.

Korea — average of yields on 3-year corporate bonds guaranteed by local banks.

Netherlands — CBS average yield on three 6% to 6.5% corporate bonds until December 1981. New series as of January 1982, yield of domestic long-term bonds issued by major banks.

Norway — 5.75% Dalen Portland-Cement bond of 1969-1984 until December 1982. New series as of January 1983 average yield of long-term industrial bonds.

Spain — average yield for a selected group of electricity companies.

Sweden — Central Satistical Bureau average yield on industrial bonds.

Switzerland — average yield on outstanding bonds of four leading Swiss companies. Mixture changed as of January 1982.

United Kingdom — F.T. (Financial Times) Actuaries 20-year debentures and loans until February 1981. New series as of March 1981, F.T. Actuaries 25-year debentures and loans.

United States — Salomon Brothers index of new issue yields for Aa industrial bonds with five-year call protection.

Venezuela — average of yields on 15-year bond issues of Electricidad de Caracas

Eurodollars, U.S. companies — average secondary market yield of several actively traded, high quality issues with a maturity of 7- to 12-years.

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